



# CDBG – Community Based Development Organizations (CBDOs)

2016 DMD Webinar

# What is a CBD0?



- Special designation for CDBG funds to organizations that meet specific requirements.
- Allows CBD0s to perform differently than other subrecipient's and engage in some generally exempt activities.



# Requirements

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- Organized under state or local law to engage in community development activities in a specific geographic area within the community. This area can be as large as the county or as small as a neighborhood depending on the scope of the activities carried out by the organization.
- Primary purpose is the improvement of physical, social, economic environment of its service area by addressing one or more critical problems in the area, with particular attention to the needs of LMI persons.
- Can be a for profit organization if the profits to shareholders or members are incidental to its operations.

# Organizational Leadership



- **Governing body membership consists of 51%...**
  - Low/Mod Income residents of its service area
  - Owners of entities within the service area
  - Officers of entities located in the service area
  - Representatives of Low/Mod Income organizations in the service area

# Organization Leadership



- No more than one-third of the board is elected or appointed public officials or employees of the grantee.
- The governing body is nominated by the general membership of the organization.
- Board Is not an agency or instrumentality of the grantee.
- Leadership must avoid any potential issues of conflict of interest.

# CHDOs and CBDOs



- Community Housing Development Organizations (CHDOs) have similar requirements for the HOME program.
- CBDO does not exempt an organization from being a CHDO.
- CHDOs only automatically qualify as CBDOs if that CHDO serves a single targeted area.
- Please contact DMD HOME staff for additional information.



**Being a CBDO does not  
guarantee CDBG funds.**





# **Special Eligible Activities for CBDOs**

# Public Service



- Homeowner Assistance located in an NRSA and carried out as a public service by a CBDO can also be excluded from the 15% public services cap.
- Job training, job placement and other employment support services which are specifically designed to increase economic opportunities.

# Housing



- May use CDBG to construct housing for sale to LMI homebuyers in conjunction with a neighborhood revitalization or community economic development project.
- May do new construction of rental housing in conjunction with neighborhood revitalization, community economic development or energy conservation.

# Special Economic Development



- Technical assistance and training directly to businesses on topics such as business planning or accounting by a CBD0 as a part of an eligible project.



# **Application Process**

# Applications



- All organizations currently qualified as a CBDO or interested in being registered as a CDBO are requested to submit an application by February 24<sup>th</sup>, 2016 to be qualified for the 2016 year.
- Will be attempting to standardize this for future years, so all applications and recertifications are done at a consistent time (February) time of the year.

# Potential Required Documentation



- **Charter**
- **Articles of Incorporation**
- **By-laws**
- **Resolutions**
- **501c3 or 501c4 certificate from the IRS**
- **Board Composition (Always required)**

***Please highlight and reference the important sections relating to CBDO.***

# Board Composition Chart



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	A	B	C	D	E	F	G	H
1	Board Composition Chart			0				
	Name	E-mail (or Phone)	Preferred Address	Position/Role	Low-Income Representative?	Neighborhood Organization Member?	Owner or Senior Member of Area Private Business or Institution?	Public Official/ Gov Appointed?
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# Recertification



- Full application every 3 years, recertification during the two years in between.
- Recertification will just require to explain and certify any changes to the organization or board makeup.
- Less intensive than a full application.



**Questions?**